

COMMITTEE ON FINANCE
(Standing Committee of Berkeley County Council)

Chairman: Mr. Jack H. Schurlknight, Council Member District No. 6

A **meeting** of the **Committee on Finance**, Standing Committee of Berkeley County Council, was held on Monday, **May 24, 2010**, in the Assembly Room of the Berkeley County Administration Building, 1003 Highway 52, Moncks Corner, South Carolina, at 6:15 p.m.

PRESENT: Chairman Jack H. Schurlknight, Council District No. 6; Committee Member Phillip Farley, Council District No. 1; Committee Member Timothy J. Callanan, Council District No. 2; Committee Member Robert O. Call, Jr., Council District No. 3; Committee Member Cathy S. Davis, Council District No. 4; Committee Member Dennis L. Fish, Council District No. 5; Committee Member Caldwell Pinckney, Jr., Council District No. 7; Committee Member Steve C. Davis, Council District No. 8; County Supervisor Daniel W. Davis, ex officio; Ms. Nicole Scott Ewing, County Attorney; and Ms. Barbara B. Austin, Clerk of County Council.

In accordance with the Freedom of Information Act, the electronic and print media were duly notified.

Chairman Schurlknight called the meeting to order.

APPROVAL OF MINUTES

Chairman Schurlknight asked for approval of minutes from a meeting of the Committee on Finance held April 26, 2010.

It was moved by Committee Member Pinckney and seconded by Committee Member Fish to **approve** the **minutes** as presented. The motion as amended passed by unanimous voice vote of the Committee.

EXECUTIVE SESSION

Chairman Schurlknight: "Without objection, I'd like to entertain a motion to enter into Executive Session to discuss matters relating to the proposed location, expansion or the provision of services encouraging location or expansion of industries, or other businesses in the area served by the County; or discussions of negotiations incident to proposed contractual agreements, arrangements and proposed sale or purchase of property; in receipt of legal advice where legal advice relates to a pending, threatened or potential claim; or other matters covered by the attorney/client privilege; settlement of

legal claim; or the position of the County in other adversary situations involving assertion against the County of a claim. Do I have a motion?"

It was moved by Committee Member Pinckney and seconded by Committee Member Fish to **enter** into **Executive Session** for the reasons stated. The motion passed by unanimous voice vote of the Committee.

The Committee entered into Executive Session at 6:16 p.m., and returned to Committee Session at 6:53 p.m.

Chairman Schurlknight: "Madame Attorney, would you report us out of Executive Session, please?"

Ms. Ewing: "Yes, Mr. Chairman. The Committee went into Executive Session for the reasons stated in the motion. No action was taken."

Chairman Schurlknight: "Thank you, Madame."

A. Consideration of a resolution repealing **Resolution No. 10-12** in its entirety.

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve** consideration of a **resolution** repealing **Resolution No. 10-12** in its entirety. The motion passed by unanimous voice vote of the Committee.

B. Application for State-Issued Certificate of Franchise Authority, Re: Berkeley Cable TV, Inc.

It was moved by Committee Member Steve Davis and seconded by Committee Member Pinckney to **approve** an **application** for a state-issued **Certificate of Franchise Authority** to **Berkeley Cable TV, Inc.**

Chairman Schurlknight: "Discussion?"

Committee Member Callanan: "Yeah, I have a question. These don't come up that often, and the – within these agreements, is there a means for them to carry County Council Meetings on the Public Access Channel?"

Ms. Ewing: "They are required, I believe, at our request to provide one Public Access Channel. I don't know if we have ever done that of any of them in the past, but it's certainly one of the questions that the state asks, and so, we always include it on our response to them."

Committee Member Callanan: "Ok, but that information would be in the franchise agreement?"

Ms. Ewing: “Well, under the new program where the state has taken over franchise agreements, we don’t actually have franchise agreements individually with the cable companies any longer. The state handles all that. All they do is ask us whether we consent or not.”

Committee Member Callanan: “Ok.”

Chairman Schurlknight: “Any other discussion?”

The motion passed by unanimous voice vote of the Committee.

C. Review prior to Second Reading of the following:

1. Bill No. 10-14, an **ordinance** to amend Ordinance No. 09-07-36, adopted July 27, 2009, to provide for **Supplemental Appropriations** and allocations thereof within the **2009-2010 Budget** for **Berkeley County**; and other matters relating thereto.

(A preliminary copy of the Berkeley County Supplemental Appropriations is attached herewith and, by this reference, made a part hereof. Additionally, copies were provided to Committee Members.)

It was moved by Committee Member Steve Davis and seconded by Committee Member Call to **approve** review, prior to **Second Reading**, of **Bill No. 10-14**. The motion passed by unanimous voice vote of the Committee.

2. Bill No. 10-15, an **ordinance** providing for the **fiscal year** beginning July 1, 2010 and ending June 30, 2011 for the **Devon Forest Special Tax District** operational budget; and to provide for the expenditures of the revenues received by the Devon Forest Special Tax District during the fiscal year.

It was moved by Committee Member Fish and seconded by Committee Member Callanan to **approve** review, prior to **Second Reading**, of **Bill No. 10-15**. The motion passed by unanimous voice vote of the Committee.

3. Bill No. 10-16, an **ordinance** providing for the **fiscal year** beginning July 1, 2010 and ending June 30, 2011 for the **Pimlico Special Tax District** operational budget; and to provide for the expenditures of the revenues received by the Pimlico Special Tax District during the fiscal year.

It was moved by Committee Member Callanan and seconded by Committee Member Farley to **approve** review, prior to **Second Reading**, of **Bill No. 10-16**. The motion passed by unanimous voice vote of the Committee.

4. Bill No. 10-17, an **ordinance** providing for the **fiscal year** beginning July 1, 2010 and ending June 30, 2011 for the **Sangaree Special Tax District** operational

budget; and to provide for the expenditures of the revenues received by the Sangaree Special Tax District during the fiscal year.

It was moved by Committee Member Cathy Davis and seconded by Committee Member Steve Davis to **approve** review, prior to **Second Reading**, of **Bill No. 10-17**. The motion passed by unanimous voice vote of the Committee.

5. Bill No. 10-18, an **ordinance** providing for the **fiscal year** beginning July 1, 2010 and ending June 30, 2011 for the **Tall Pines Special Tax District** operational budget; and to provide for the expenditures of the revenues received by the Tall Pines Special Tax District during the fiscal year.

It was moved by Committee Member Fish and seconded by Committee Member Cathy Davis to **approve** review, prior to **Second Reading**, of **Bill No. 10-18**. The motion passed by unanimous voice vote of the Committee.

6. Bill No. 10-19, an **ordinance** providing for the **fiscal year** beginning July 1, 2010 and ending June 30, 2011 for the operational budget of the **Berkeley County Special Fire Tax District** within the unincorporated portions of Berkeley County; and to provide for the expenditures of the revenues received by the Special Fire Tax District during the fiscal year.

It was moved by Committee Member Steve Davis and seconded by Committee Member Fish to **approve** review, prior to **Second Reading**, of **Bill No. 10-19**. The motion passed by unanimous voice vote of the Committee.

7. Bill No. 10-20, an **ordinance** providing appropriations for the **fiscal year** beginning July 1, 2010 and ending June 30, 2011 for **Berkeley County**; to provide for levy of taxes on all taxable property in Berkeley County for all County purposes; to provide for the expenditures of said taxes and other revenues coming into the County that would not include the 29 percent Local Options Sales Tax option and would only take \$500,000 from that fund for budget purposes for the fiscal year.

It was moved by Committee Member Callanan and seconded by Committee Member Fish to **deny** review, prior to **Second Reading**, of **Bill No. 10-20**.

Chairman Schurlknight: "We'll take it for discussion."

Committee Member Steve Davis: "And this is Bill No. 10-20?"

Chairman Schurlknight: "Yes."

Committee Member Fish: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Fish."

Committee Member Fish: “The reason that I second this denial, because we have in here that the 29 percent Local Option Tax would be taken from that budget, and the budget presented to us last week includes that. I’m just asking that be removed.”

Chairman Schurlknight: “Could you repeat that Mr. Fish? I didn’t understand you. Mr. Fish, could you repeat that? I didn’t understand what you were saying.”

Committee Member Fish: “Based on the motion that put it on here was to not – this budget would not include the 29 percent Local Option Tax, except for the \$500,000 for the Jedburg Interchange, and the budget presentation we had this week included that in that. So, I second it, because it does not include what we had directed the Supervisor to put in his budget.”

Chairman Schurlknight: “Well, I...”

Supervisor Daniel Davis: “Mr. Chairman?”

Chairman Schurlknight: “You want to answer that?”

Supervisor Daniel Davis: “I do.”

Chairman Schurlknight: “Ok; you can answer that.”

Supervisor Daniel Davis: “As I stated when the motion was originally made, the state constitution requires me to submit a budget. I don’t do it at the direction of County Council. I do it; I prepare the budget I want to prepare, then it’s Council’s. And, if you’ll go back and read your, I guess, the information booklet you got when you got elected to County Council, then it’s up to County Council to amend the budget, to change it any way you want to. But, I told you then I was not going to respond to a direction to do the budget as you directed.”

Committee Member Callanan: “Mr. Chairman?”

Chairman Schurlknight: “Mr. Callanan.”

Committee Member Callanan: “Yeah, I mean, there was a couple issues here, but the fact of the matter is even though if we were to read this in as it’s stated here, it doesn’t have the 29 percent, less the 500,000, in the budget. You know, you know, the obvious interpretation by submitting a budget with it in there is that this requirement would simply be stripped out at the General Council Meeting. There was also an issue with regards to raising the operating millage by one mill. I, you know, I had a problem with that, and the other issue is, you know, I just simply don’t think that there’s an effort out there to get, to reach out to Council Members, to get the feedback that they want and what they want to see in a budget. And, I don’t – and, I think, that should be done in advance rather than waiting for it to be done by means of amendments to the existing budget. You know, I’ve talked to several municipal administrators, because our kind of

form of government more matches a municipality with a Mayor and Council, versus Council/Administrator form of government, and I was correct. That's generally how they handle it. They reach out to the Council Members, get an idea of what they want to see in there, and then they – and then they base the formation of their budget on that feedback, and I just don't think we've gone through that process. And, I would like to think that, you know, if this is in fact denied tonight, you know, we can – we can all sit down together. I'm not so myopic that I'm going to insist on something and say I'm not going to provide any sort of flexibility toward the other side. I certainly would be willing to do that, but I'm not given the opportunity as of now, and that's why, you know, that's why I'm recommending that we deny this, because if we don't do it in Finance Committee, it's, you know, we don't have an opportunity. We won't have a say in Council Meeting.”

Chairman Schurlknight: “Mr. Callanan, it's kind of ironic that you said that, because tonight we were hoping to have a civil debate on this, on the 29 percent, and what lays in the balance. Kace do you have the list of capital improvements that we can put on the...”

Supervisor Dan Davis: “Mr. Chairman? If I can just make a comment while she's doing that.”

Chairman Schurlknight: “Yes, go ahead, please.”

Supervisor Dan Davis: “You know, what Mr. Callanan is describing is pretty much the strategic planning process. You know, we began that two years ago. And, if you recall, that was exactly what we had hoped to do was we would begin in November with the strategic planning process, have Council involvement, and then write our budget based on the results of that process. And, we can go back to look at the record of the attendance at that, but that has not worked out well in terms of attendance by Council, and the process has not worked yet, but we will keep plugging at it, but that would be the perfect opportunity for Council to be involved in the process, to let us know what Council wants in the budget and what it does not want in the budget. So, maybe next year, it will be a little better attended.”

Committee Member Callanan: “Are you – Mr. Chairman?”

Chairman Schurlknight: “Mr. Callanan.”

Committee Member Callanan: “Are you referring to the meeting that was at Mt. Holly?”

Supervisor Dan Davis: “Yes, that was one of them, yes.”

Committee Member Callanan: “Yeah; I mean, I was there. It was mostly a kind of a vague, long-term strategic plan for the County with no budget specifics. On an annual basis, I am talking about sitting down with Council and determining what they

want with regards, you know, what direction they see, what their priorities are, and that certainly wasn't, certainly wasn't addressed in that strategic planning session, so. And, I was at every one of those sessions, so."

Committee Member Farley: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Farley."

Committee Member Farley: "The thing that I brought up the other night about the one and a-half percent COLA and giving the employees just a flat increase. Was that considered?"

Chairman Schurlknight: "That is in the process of being – of being considered."

Committee Member Farley: "I think, I think one and a-half..."

Supervisor Daniel Davis: "That would be up to Council."

Chairman Schurlknight: "Right; you know, it would be up to Council, but you know, the dollar – the dollar amount won't change. It's just how you distribute that dollar amount."

Committee Member Farley: "Ok; how about the debt payment for the Sheriff's Department. What is that \$250,000 there?"

Chairman Schurlknight: "Ok, if you can just hold one second, Mr. Farley. What I want to do, I'm gonna see if we can put the list up on the screen here, because what I would like for everybody out in the audience – I want you all to see exactly what we're talking about, and the things that lay in the balance of this 29 percent, and the importance of funding these areas as soon as we can get this up and going [the equipment]. Sorry, folks, we just have a little technical difficulty, but it won't be long."

Committee Member Fish: "I'm not sure what this has got to do with the motion."

Committee Member Callanan: [inaudible]

Committee Member Cathy Davis: [inaudible]

Committee Member Steve Davis: "Mr. Chairman?"

Committee Member Pinckney: "While we're waiting, let me ask you a question. When we had our budget workshop, and correct me if I'm wrong, I thought you made a request that if anybody wanted to make any changes into the budget as it was presented that there would – you requested that they give you something in writing. Had you received anything? Have you received any changes to it?"

Chairman Schurlknight: “No; no, not yet. I haven’t seen anything...”

Committee Member Fish: [inaudible]

Chairman Schurlknight: “...that was presented to me as far as in writing...”

Committee Member Pinckney: “Ok.”

Chairman Schurlknight: “...in e-mail, but hopefully, by Third Reading, we can go down that path, and get that information to us.”

Committee Member Pinckney: “Ok. My follow-up question on that also would be to Mr. Supervisor. If we go along with the current denial of Bill 10-20, that would – what would that do to the budget? Would it take it out of balance?”

Supervisor Daniel Davis: “It would not take it out of balance. Ms. Ewing, what would be the procedure then. Would you tell him?”

Ms. Ewing: “If it’s denied at this point, the bill is dead, and then, we would start from the beginning.”

Committee Member Pinckney: “Ok.”

Committee Member Steve Davis: “Mr. Chairman? I just want to point a question. Maybe, I’m reading this thing wrong. Maybe, you need to educate me a little better. Bill No. 10-20 is getting ready for the Fiscal Year July 1st, 2010 and ending July 2011. We all agree so far? Now, ‘to provide for levy of taxes on all taxable property in Berkeley County for all County purposes, to provide for the expenditures said, tax and other revenue coming into the County’. That would not include the 29 percent. That’s the part that throws me a curve.”

Chairman Schurlknight: “I think, Mr. Davis, what Mr. Fish was saying that they didn’t want the whole 29 percent taken. There was only part of that...”

Committee Member Steve Davis: “Yeah, it would only take...”

Chairman Schurlknight: “...plus the half million they wanted to go to Jedburg.”

Committee Member Steve Davis: “...yeah; so, what I don’t understand is when they say they want to deny the same thing, the bill is worded in such a way that – the ordinance is written in such a way that...”

Chairman Schurlknight: “Yeah, we have to approve it at 29 percent.”

Committee Member Steve Davis: “No, not the way I read it. It said that would not include the 29 percent. And, Mr. Supervisor put it in the budget to include the 29 percent.”

Committee Member Fish: “Correct.”

Committee Member Steve Davis: “Right?”

Committee Member Fish: “That’s right.”

Committee Member Steve Davis: “I don’t know. Maybe, I’m just reading it wrong. It seem like if you’re trying to pass Bill No. 10-20, this amendment then would satisfy what Mr. Fish and others on County Council are trying to do with the budget, as I read it.”

Chairman Schurlknight: “If it was approved...”

Committee Member Callanan: “Mr. Chairman?”

Chairman Schurlknight: “...yes, that’s what I’m saying. We can get legal advice on that. Mr. Callanan, go ahead.”

Committee Member Steve Davis: “I read...”

Committee Member Callanan: “I, I can explain that if you – if...”

Committee Member Steve Davis: “Please!”

Committee Member Callanan: “Can I have the floor?”

Chairman Schurlknight: “Sure.”

Committee Member Callanan: “The reason is, it has to do with votes, and when it comes down to, what appears to me from the outside, is that – that when it comes to getting this particular budget passed, their relying on four votes and ignoring the other four, and not involving us in the, in the process. So, what my – the reason for simply denying it in this Committee is this. When this – if we approve this even with the restriction, it could then be stripped out in General Council, when we don’t have minutes. It’s about having our voices heard. And, unfortunately, the way that this works is we have our voices heard in the Finance Committee, but we will not in the General Council.”

Committee Member Steve Davis: “I disagree. I mean, there will be an opportunity for discussion before the budget is passed, even in General Council when we are all together. But, it just seems to me like you’re trying to create an issue that need not be present. You want to throw out the whole cabangle to support your position that you don’t have a voice on County Council, or four Members don’t have a voice on County

Council. I tend to disagree. I think you have a large enough voice as it is, but the bottom line is, now, I understand the manner in which – you just want to destroy the whole package.”

Committee Member Callanan: “No, I don’t. I want...”

Committee Member Steve Davis: “You want to deny it. So, you want to deny it. That’s what you want to do.”

Committee Member Callanan: “Unfortunately, had a budget been presented – even if two examples of a budget were presented, one with and one without the 29 percent, I’d have a little bit more confidence that this amendment that gives the tax relief back to the residents would survive at the General Council Meeting. But, since that was never offered to us, I have zero confidence that even if we pass this that that amendment will survive. And, so, therefore, the 29 percent will continue to go back to County Government. So, my point is let’s sit down, and talk about it. Let’s just not say it’s my way or the highway. I’ve got the votes in General Council. Let’s sit down, talk about it as a group, get feedback from everyone of us. There’s probably a middle ground in here that we can all agree on. Just because we’re four votes, and the other side has five in General Council, does not mean that these four votes don’t count. And, that’s the point I’m trying to bring up, because that is exactly what’s going to happen if we approve this. It’s simply gonna get stripped out, and we’re gonna get railroaded to accept whatever budget is proposed. And, we have a voice in Finance Committee, and this is, unfortunately, where we have to make our stand for what we believe is right for the citizens of Berkeley County.”

Committee Member Steve Davis: “Well, I think – can I respond, Mr. Chairman?”

Chairman Schurlknight: “Yeah, Mr. Davis.”

Committee Member Steve Davis: “Now, this is a democracy with representation, and we supposedly adhere by the rules and regulations that are laid out. And, as I look on the Home Rule, it says that the Supervisor prepares an annual budget, which he’s done, and what you’ve attempted to do by amending that budget is inject an aspect that he didn’t include. So, maybe you’re mannerism and tactic is what’s caused us to come to this dilemma. Where you have were contrary to what I call protocol that’s been in place since I’ve been on County Council for 10 years. We are under the form of Supervisor. He prepares the annual budget, and we, as a group, makes suggestions and amendments at the appropriate time. That is what our current Supervisor has done, and your efforts to try to politicize in reference to not having a voice just seems not to meet the fairness test in relationship to what we should be trying to accomplish here on County Council. And, a term like railroad, I think, is inappropriate. A term like ramming it down other County Council Members throats is inappropriate. We’re a body that should adhere to the rules and regulations that govern us, and it says in Section 4, that the County Supervisor prepares that annual budget. And, that is what he has done.”

Chairman Schurlknight: "Thank you, Mr. Davis."

Committee Member Fish: "Let's call for the vote."

Chairman Schurlknight: "Yeah, I would like to see us be very open on this thing, talk about it. I think it needs to be done, but I think some of the confusion came in last month when that caveat was thrown on that First Reading, and it should have been title only. Anyway, that's bygones; we'll let bygones be bygones. We're gonna turn over a new leaf tonight, and what I would like to do is discuss the stuff on this list and what lays in the balance. And, I would like – I'm very interested in finding out y'all's recommendations or Mr. Fish's recommendations – he made a motion – on how we're gonna finance the things on this list. And, I see that we don't have it up there, but I'll read them out as we talk to you about them. The first one on the list was the Economic Development – the assessment district for Jedburg Road Improvements. And, I think everybody agreed on the 500,000 on that one, correct? I don't believe that was an issue. The next one was a debt payoff. We have an existing lease purchase debt in the General Fund. We've got to find \$583,896 to make that payment. Mr. Fish, can you tell me how you would – some of your suggestions on how to tackle that, because that's going to be lost..."

Committee Member Callanan: "Woe, Mr. Chairman. I'm actually the one who made the recommendation for denial, so."

Chairman Schurlknight: "Ok; alright, Mr. Callanan, you can go ahead."

Committee Member Callanan: "Yeah, sure. Prior to us taking this 29 percent, that existing lease purchase debt was paid out of operating millage. So, what we're doing now is we're simply shifting it to a new revenue source and raising taxes. Part of the point – that was never my intent with the 29 percent. My intent with the 29 percent was, originally, for 17-A, and then, at the latter point, for Jedburg. So, my intent wasn't to move over expenses that were originally paid out of the operating budget of the County and shift it over to funds paid out of this 29 percent. And, that's exactly what happened with this a – with the lease purchase debt that was pre-existing prior to us taking this money."

Chairman Schurlknight: "Ok; so your intent never was to do that or pay for capital improvements out of the Capital Improvement Fund?"

Committee Member Fish: "Mr. Chairman?"

Chairman Schurlknight: "I'm not quite..."

Committee Member Callanan: "Ok, so you want me to ask – you want me to answer that?"

Chairman Schurlknight: "I just want to make sure I've got it clear. That's all. I'm making the notes."

Committee Member Callanan: "No; I – you all called it a Capital Improvement Fund. My intent was a – was always the case of using a – of using it for simply two projects."

Chairman Schurlknight: "Ok."

Committee Member Callanan: "So, I – I will call it a two-project fund."

Committee Member Pinckney: "Mr. Chairman?"

Committee Member Fish: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Fish was next."

Committee Member Pinckney: "Ok, I'm sorry."

Chairman Schurlknight: "Then, I'll come back to you. Mr. Fish."

Committee Member Fish: "One of my comments along long has been that way for two years, and, you know, you all have argued with me that this is, in essence, a tax increase on our taxpayers. They voted this in 1996, and I told you before, if you all want to raise taxes to pay these bills, then be up front and raise taxes. Just don't backdoor it on something the voters have already passed."

Chairman Schurlknight: "Mr. Fish, let me..."

Committee Member Fish: "If you want to raise the mills – 2 and a-half mills to cover this debt, be upfront, and say that's what you want to do."

Chairman Schurlknight: "Mr. Fish, let me make this comment right now. Again, I'm trying to be professional, and I was hoping we'd have a good, open debate to talk about this. But, I don't think there's a Member on Council ever said this was not a tax increase. And, I don't appreciate you using the word backdoor tactics. I don't use backdoor tactics, and that's some of the same wording that you used about us robbing and stealing from the citizens of Berkeley County, and that's not true. And, I resent those kind of remarks towards me and my Committee. I've even seen writings where my Committee is called Crooks, Liars and Thieves. I resent those things, and then you wonder why this Council is split. But, anyway, I'm gonna disregard that remark, Mr. Fish. I realize this is a tax increase. Anytime the bottom line increases, it's a tax increase. I've said it all the time. Now, I'm after solutions. How are we going to fund? How are we going to pay these bills without this 29 percent? Do you want to go into – to the fund balance that we're trying to get back up?"

Committee Member Fish: "I would suggest we have a workshop, and sit down, and work it out with Council."

Committee Member Callanan: "Which was my recommendation."

Chairman Schurlknight: "Mr. Pinckney."

Committee Member Pinckney: "Yes, you know, we keep talking about this 29 percent and about it being a backdoor act and a tax increase, and Mr. Fish, I know you know and understand that when you were Chairman of Finance, we used that 29 percent before. And, at that time, it wasn't considered to be any backdoor action, nor was it considered to be a tax increase. Now, why is it being considered to be either of those when this is not the first time that we've used part of this 29 percent, and if my recollection serves me correctly, we even exceeded it one or two times. But, you know, and this is to Mr. Callanan – you know, you keep saying about what your intent is when it came to this particular 29 percent. Well, you've got one vote on Council, so it's not just about what Mr. Callanan's intent is. It's about what all of our understanding and intent is for the citizens of Berkeley County. And, you said the other side. There is no other side on Council. We are one governing body, and if there is another side, then you have created that other side, and I personally resent that. You talk about the four votes. When you think that you've got the votes to do what you want to do, you feel all empowered, but when you feel that it's not gonna come your way, then you come up with all this rhetoric. We need to move on. I mean, we've got citizens out there that are suffering and need our professional and our true concern to move this County forward, but, you know, here screaming at a nat and drinking a camel, we can't do that. And, we need – we need to stop politicizing the process and do for the citizens of Berkeley County as we were elected to do. And, I needed to say that, and I needed that to be on the record. Thank you."

Committee Member Callanan: "Mr. Chairman, if I can respond to that since that was directed at me."

Chairman Schurlknight: "Ok, Mr. Callanan, go ahead."

Committee Member Callanan: "The two points, one being is you mentioned that this, this – we've regularly used this fund. It has only been used in the last two years."

Committee Member Pinckney: "That's not true."

Committee Member Callanan: "Never been used before that – last two years."

Committee Member Pinckney: "Check your record."

Committee Member Callanan: "And, this was actually addressed by the Director of Finance in a previous meeting. We have to guess at what the proceeds from this are going to be. There are times when we are below, and there are times when we are above,

but we always gave back 100 percent of this money, prior to two years ago. And, if you can provide evidence that we have not, I suggest you do so, because other than that, you know, it's an allegation that is simply not true. And, for your point of citizens suffering, this is exactly why I have this position. It's because citizens are suffering. They want their tax relief money back. This puts money in their pockets. How does us taking this money prevent citizens from suffering? I don't understand. Quite frankly, it's the opposite. I mean, the government is going to spend it to provide, you know, you know, some sort of welfare to prevent suffering for these residents? No, it's the opposite. If we give it back to the residents, give them back the money, they will spend it, they will invest it, they will create jobs. That's how it works. That's got, that's got a history of success, that plan. If someone can show me when government taking money out of the public sector has actually created a job outside of government, I'd be happy, I'd be happy to hear it, but the fact of the matter is, the history is not there."

Supervisor Daniel Davis: "Mr. Chairman?"

Chairman Schurlknight: "Thank you. Mr. Supervisor."

Supervisor Daniel Davis: "I just want to make one statement. It is true. This is the third year that this money has been included in the budget. You know, it was fine the first two years to use this, you know, Council felt a need, and the majority passed it. Of course, those were non-election years. So, let's be – let's just be plain. The whole reason this is coming up, and everyone in the audience needs to realize this, it's an election year. And, so – so a lot is being made of it. So, what some of us are saying is it's ok to vote for this in non-election years, it's just not ok to vote for it in an election year. And, that's what the basis for all this discussion."

Chairman Schurlknight: "Ok."

Committee Member Fish: "Mr. Chairman? I've got one comment on that. If you go back..."

Chairman Schurlknight: "Mr. Fish."

Committee Member Fish: "If you go back and check the minutes of those two years, I think, we specifically said that we'd take that money for a particular purpose, and it would be sunset. The Supervisor was directed to find other ways to provide that money. That's in the minutes. So, that record stands."

Chairman Schurlknight: "We might..."

Committee Member Fish: "Those weren't, incidentally, those weren't election years."

Chairman Schurlknight: "My recollection is that we would look at it each year. It was on a yearly basis. There was no sunset. That was the one cent, but anyway. Folks

you just bear with us, we're just going to air a few things out, and we're gonna put some things on our table and, maybe, answer a few questions. So, hopefully, we'll get through this thing before too much longer. Let's go to the next line item..."

Committee Member Fish: "Mr. Chairman, let's call for the vote. I think we discussed..."

Chairman Schurlknight: "No, let's go to the next line item with the Sheriff's Department lease purchase debt and the General Fund - \$250,000. How about the Sheriff's Department?"

Committee Member Farley: "What is the..."

Chairman Schurlknight: "The Sheriff is unfunded. They - we've all heard the crime and stuff - he's going crazy in the rural areas. I just don't - we should be funding the Sheriff's Department as much as we can, in my opinion. Mr. Farley, were you next?"

Committee Member Farley: "Yes, Sir. You're saying that we should be funding the Sheriff's Department. The Sheriff has over \$500,000 left over in his budget last year."

Committee Member Fish: "That's true, yeah, I agree with you. We should approve that resolution."

Committee Member Farley: "How are we - and I know he gets to keep that money, but what is this Sheriff's Department debt set-off lease? I mean, how long is that gonna go on. Is this the last payment on it?"

Chairman Schurlknight: "Kace, would you like to..."

Ms. Smith: "These are for lease purchase payments, and he did just take out another lease in 2009-2010. He does not have the fund balance or the cash to purchase all the vehicles that he purchased last year. He's in constant need of replacement vehicles, as you can imagine, with over 160 staff in his department."

Committee Member Farley: "And, this is for lease purchase..."

Ms. Smith: "Yes, Sir."

Committee Member Farley: "... on vehicles?"

Ms. Smith: "Lease purchase. That's only a portion of his lease purchase payments."

Committee Member Farley: "Ok; but, did you come up with the figure of how much he was going to have left over in his budget this year?"

Ms. Smith: “No, Sir; I don’t have that figure. I don’t have any way of knowing how much they’re going to spend at the end of June 30th.”

Committee Member Steve Davis: “And, part of the contract, we’re not supposed to give active consideration of that factor. That would be contrary, Mr. Farley...”

Committee Member Farley: “Well, I understand...”

Committee Member Steve Davis: “Well, why you want to do something inappropriate again. We agreed, and we should stick to our agreement. We were not going to use those as a basis to penalize them. Now, I live out in the rural part of the County. I don’t have the City of Hanahan Police Department and the City of Goose Creek Police Department, the Town of Moncks Corner Police Department, and those deputies need suitable cars out in the rural part of the County, because that’s where the drugs, that’s where the crime has moved, and the Sheriff needs to be adequately funded. And, if this lease purchase provides that, we need to move forward. And, by the way, since we’re talking about this issue, it behooves me to think that a family wouldn’t have some kind of fund that takes care of emergency situations. And, that’s what a Capital Improvement Fund does to some degree, because some of these items on here are very critical.”

Committee Member Farley: “The reason we have a Police Department in Hanahan is because I pay city taxes also.”

Committee Member Steve Davis: “I pay EMS tax. You don’t pay no EMS tax.”

Committee Member Farley: “Yes, we do.”

Committee Member Steve Davis: “Yeah, I bet you do.”

Chairman Schurlknight: “Ok; any other comments on the Sheriff’s Department?”

Committee Member Pinckney: “Mr. Chairman?”

Chairman Schurlknight: “Mr. Pinckney.”

Committee Member Pinckney: “It’s not on the Sheriff’s Department, but since Ms. Smith is up there, I’ve got a question for you. On that 29 percent – I’m back on that again. On a \$200,000 home, do you have that figure for me, what that would be?”

Ms. Smith: “No, Sir; I do not.”

Committee Member Pinckney: “Well, I’d like to – I’d like to get those figures, because, you know, we’re not talking about taking the whole one cents. We’re talking about taking 29 percent of that, and I’d like to know what that boils down to, and I’d like

to see just how much suffering people are going through by not having access to that 29 percent. So, could you get those figures for me, please, ma'am."

Ms. Smith: "Absolutely."

Committee Member Fish: [inaudible]

Committee Member Pinckney: "Thank you."

Chairman Schurlknight: "Ok; the next line item is replacement vehicles. Public Buildings, they need two vehicles, 36,000; Solicitor, looks like needs one at 19.5; Real Property, 19.5; got an ambulance in there, 132,000; Roads and Bridges needs a truck. Anybody have any comment on that and how we might look at funding it."

Committee Member Farley: "Yes, Sir; the Solicitor and the Real Property, is that Crown Vics?"

Ms. Smith: "No, Sir; they are not."

Committee Member Farley: "Well, what's the a – how about the Public Buildings? What kind of vehicle are those? Cause..."

Ms. Smith: "Let me get the detail. You all each have the detail in your budget workbooks that we gave you last Monday, but let me reference mine now. All this information was provided to you in your budget workshop under the Capital Improvement Fund tab. It includes the request that the department made. It gives their justification, and – so you want to know what Public Buildings requested – let's see. Here we go. They requested, actually, three half-ton trucks, like an F-150. We are recommending to purchase one of those. In addition, they requested one, three-quarter-ton panel cargo van and were requesting to purchase that as well."

Committee Member Farley: "Ok."

Chairman Schurlknight: "Ok; any other comments on the vehicles? Alright, let's go to replacement equipment. IT – IBM production printer, need one of those at 10,000. Roads and Bridges, a Menzi Muck. I think that's a piece of equipment for 217,000."

Committee Member Steve Davis: "I just want to highlight. You did – EMS ambulances on this list too, right?"

Chairman Schurlknight: "Right, EMS..."

Committee Member Steve Davis: "For \$132,471."

Chairman Schurlknight: "Right, for an EMS ambulance."

Committee Member Steve Davis: "And, it serves the whole County?"

Chairman Schurlknight: "I think they came in, Kace, correct me if I'm wrong. I believe, they submitted for two ambulances, and we gave them one."

Ms. Smith: "They did, and they..."

Chairman Schurlknight: "Is that right, Bob?"

Mr. Bob Mixer, EMS Director: "Well, I don't know how many they gave me, but I asked for..."

Ms. Smith: "One."

Chairman Schurlknight: "You got one."

Committee Member Steve Davis: " My question is..."

Chairman Schurlknight: "I thought it was two you wanted."

Ms. Smith: "And, we were not able to purchase an ambulance last year. That was not included."

Committee Member Steve Davis: "My question is does it serve the whole County?"

Chairman Schurlknight: "Right."

Mr. Mixer: "Yes, Sir."

Committee Member Steve Davis: "Thank you."

Chairman Schurlknight: "Ok; on the replacement equipment, Roads and Bridges, they need a motor grader for 205; Airport, self-service fueling system..."

Committee Member Fish: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Fish."

Committee Member Fish: "I want to ask you a question about that. Is that, you know, we recently went through a whole bunch of things about sole source and Caterpillar and all that. It just came to my attention that the D-Cat we just bought, where the bid was an issue at bid contest, that we would have a 2009 or 2010 dozer, and we just discovered what we purchased was a 2008. Just to comment, I'm not sure who's watching that, but we bought a 2008 dozer this time around, when the bid called for 2010."

Chairman Schurlknight: "John, would you like to address that, please?"

Mr. John Hamer, Procurement Director: "Yes, Sir. We had a vendor who did not bid on the dozier, came on our property without permission, and got the serial number and the hours on the dozier we bought. He's accusing us that it is a 2008. All the paperwork we have from Blanchard says it's a 2010 model."

Chairman Schurlknight: "Does that answer your question, Mr. Fish?"

Committee Member Fish: "No, not really, because the serial number we got, and I also – when I lined it up to check it, I found the same thing, and according to Cat, that serial number is assigned to a 2008 dozier. So, I don't know; I don't know. There's something..."

Chairman Schurlknight: "What I'd like to know..."

Committee Member Callanan: "Is it..."

Chairman Schurlknight: "...what I'd like to know is who came on unauthorized and got the serial number and trying to make allegations against the County."

Mr. Hamer: "It was Industrial Tractor..."

Chairman Schurlknight: "Industrial Tractor..."

Mr. Hamer: "...Mark Flanders."

Committee Member Callanan: "Mr. Chairman?"

Chairman Schurlknight: "Mr. Callanan."

Committee Member Callanan: "Yeah, so – so you – even though – you're just taking the paperwork's word for it? You're not investigating it anymore? Is that right?"

Mr. Hamer: "We got all the paperwork that we got from Blanchard that says a 2010."

Committee Member Callanan: "But you didn't follow up with Cat, right?"

Mr. Hamer: "Yeah, that is Cat."

Committee Member Callanan: "No, did you follow-up not with the dealer, but with the manufacturer to find out if it was, in fact, a 2008?"

Mr. Hamer: "No, Sir; we have not followed up with Cat."

Committee Member Callanan: “Ok, because that’s the issue whether we contracted with a company, they gave us all the paperwork for a 2010 and then delivered a 2008. If we can – if you can find that out, like I said, it may be nothing there, but...”

Mr. Hamer: “Right.”

Committee Member Callanan: “...you know, it – if the serial number says 2008 on line at Caterpillar’s website, and we purchased a 2010, you know, then it’s worth further investigation. That’s all.”

Chairman Schurlknight: “Ms. Ewing, would you like to add something on the legal side, please?”

Ms. Ewing: “One of the reasons that we elected to take the local dealer’s word for it is because we were worried about the possibility of a defamation lawsuit if we pushed it too far.”

Chairman Schurlknight: “Exactly; thank you, ma’am.”

Committee Member Callanan: “Against who?”

Ms. Ewing: “The County.”

Committee Member Callanan: “So, we can’t even check to find out if we got what we purchased, because just by checking, we’re – we have the potential to defame our dealer?”

Ms. Ewing: “We have no...”

Committee Member Callanan: “What about trust by verify?”

Ms. Ewing: “...we have no reasonable basis on which to question Blanchard’s submission that it’s a 2010. They have provided us documentation from Caterpillar.”

Committee Member Callanan: “Ok.”

Chairman Schurlknight: “Thank you. Ok; let’s move on to new equipment. We’re back on emergency medical equipment for the ambulances, 96,000; Roads and Bridges, some City Works software, 112,000.”

Committee Member Callanan: “I have a – I have a question about this. All of this equipment – was all of this in this list originally purchased prior to two years ago under a lease purchase agreement? All of it or some of it did we purchase outright?”

Ms. Smith: “None of it we would purchase outright.”

Committee Member Callanan: "So, none of it."

Ms. Smith: "Mr. Callanan, we used to lease purchase computers for less than \$1,000..."

Committee Member Callanan: "Ok."

Ms. Smith: "...as crazy as that may sound, we paid for it over four years, because we didn't have another funding mechanism."

Committee Member Callanan: "Ok; and so, my question is that lease purchase requirement required some sort of payment on our part, correct?"

Ms. Smith: "Yes, Sir; and generally, that was over a four-year period."

Committee Member Callanan: "Where did that payment come from?"

Ms. Smith: "It came from – it was paid out of the General Fund."

Committee Member Callanan: "It was paid out of the General Fund? So, this is, again, is – we're essentially taking some money that was originally paid for out of the General Fund and moving it to this tax relief money. So, giving us more room in the General Fund to spend on other things where we used to spend on lease purchase?"

Ms. Smith: "And, we've also had – I would point out, we've also had a reduction in some of our state aid over the last several years of, in the tune of 1.4 million dollars that's reduced our revenue that may have been used to pay for lease purchase payments."

Committee Member Callanan: "Right, and – but my point on this is that this money, you know, if you're gonna want to ask for it, ask for it in a millage increase, you know. Let's not ask for it in taking money that's earmarked towards, you know, tax relief. So, that's..."

Chairman Schurlknight: "Is that a motion for a tax increase, a millage increase?"

Committee Member Callanan: "No, because I'm not asking for any of this. You are."

Chairman Schurlknight: "Well, the thing about it is – the bottom line on this is we're getting the County out of debt. If you all listened to how deep the County's debt – even on the Water and Sanitation Budget – how much is going to debt service. We cannot survive the way we're going, and this is getting us out of debt. We even, you know – supporters of Cypress Gardens, if y'all are here tonight, you know, it's fully funded in this budget. We've got a mill. We've got Cypress Gardens, and..."

Committee Member Callanan: "Yeah, we raised a mill."

Chairman Schurlknight: "...and we got it going."

Committee Member Steve Davis: "And, Mr. Chairman?"

Chairman Schurlknight: "Mr. Davis."

Committee Member Callanan: "That's my point. We raised a mill."

Chairman Schurlknight: "Mr. Davis."

Committee Member Steve Davis: "Our auditors said that we need to have a fund balance of 15 percent. And so, this helps when we get away from the lease purchase agreement and actually purchase the item outright. I think it makes sane sense."

Chairman Schurlknight: "Yeah, it's pretty simple economics. Ok, that gives us a total of 1,031,470. Then, we go to the emergency tower equipment and what we've got with the communication problems we're having with the Rural Fire Departments and EMS, losing communications, putting peoples' lives at risk, and everything else. That's 150,000."

Committee Member Callanan: "Can I ask a question on that?"

Chairman Schurlknight: "Yes, Sir."

Committee Member Callanan: "If that's being what, 50 percent used by EMS, 50 percent by the Fire Departments? Is that fair to say?"

Chairman Schurlknight: "I'm not sure what the usage on that is."

Mr. Chip Boling, Deputy Supervisor: "It's used by the Fire Department and EMS..."

Committee Member Callanan: "So they share it?"

Mr. Boling: "They do share it."

Committee Member Callanan: "Ok, why is that – why is half of that not being paid out of the fire fee?"

Mr. Boling: "It's paid for out of the 911 fee."

Ms. Smith: "That's not correct."

Mr. Boling: "There's not enough money – there's not enough funds in the account. Your question was about the 150,000?"

Committee Member Callanan: "Right."

Mr. Boling: "There's not enough money in the account to cover it for the cost of replacing the equipment."

Ms. Barbara Austin, Clerk of Council: "Mr. Boling?"

Committee Member Callanan: "What account?"

Ms. Austin: "Mr. Boling?"

Mr. Boling: "Address Information."

Committee Member Callanan: "You'll have to explain it to me. Go ahead. I just need clarification on what you just said."

Mr. Boling: "There's not enough funds in the Address Information Account to cover the replacement of all the repeaters and the voter selectors, voter selecting machines, and so forth, for the 911 – for the..."

Supervisor Daniel Davis: "Communications system."

Mr. Boling: "...communications – repeaters and such."

Committee Member Callanan: "Ok; so, if – so we collect the money from the 911, right? And, there wasn't enough money in the 911 Account to pay for these repeaters? Is that – so we had to come up with additional funds?"

Mr. Boling: "To upgrade the radio system to get it functional..."

Committee Member Callanan: "Right."

Mr. Boling: "...it's going to be somewhere around \$760,000."

Committee Member Callanan: "Ok."

Mr. Boling: "We are out right now on a grant to help offset a substantial portion of that. We won't know about that until the end of June. Now, we came to Council and requested permission to apply for those funds. In addition to that, we have assessed the towers and the communication system, and we're still lacking above and beyond that initial amount in excess of \$150,000."

Committee Member Callanan: "Ok; so, my question was that if you take this \$150,000, and it's shared by EMS and Rural Fire Departments – I don't pay for Rural Fire Departments. I pay – I'm a – I'm in an incorporated area, ok? So, I pay my city tax

to pay for my fire service. The Rural Fire Departments pay for their service out of their fire fee. So, if they're sharing this with EMS, why isn't – we just paying half of it out of EMS and half of it out of the fire fee? Not out of EMS's budget, I'm saying out of – half of it out of the General Fund and half out of the other fee?"

Mr. Boling: "It's Public Safety. It's not just EMS and Fire. We also have Sheriff's communications within this. So, I guess it really falls more to a Public Safety. Whether you live in a municipality or whether you live in a rural area, when you call 911, you want somebody to be able to get there. And, I understand what you're saying that there are folks that would respond to a fire code in a rural area, and so, I believe, I understand what you're saying is that they should absorb half of the communications cost..."

Committee Member Callanan: "That's what I'm trying to figure out. Is – who – what is the use percentage here? Is it EMS and then Fire? Is it 50/50? If it's 50/50, I use EMS Countywide. I use the County service. That comes out of the County funds. If its fire, fire comes out of the fire fee."

Chairman Schurlknight: "Mr. Callanan, look..."

Mr. Boling: "We can gather the information that you need for..."

Chairman Schurlknight: "Wait one second. Bob, do you have any approximate..."

Mr. Bob Mixer, EMS Director: "I can give you a little perspective on that percentage."

Chairman Schurlknight: "Yeah, help us out on this."

Mr. Mixer: "EMS is running about 14,000 calls a year. The fire service assists us on about 80 percent of those calls. They're EMS calls. The fire service is probably running about 2,000. Those towers belong to the County, not the Fire Department."

Chairman Schurlknight: "And those calls are – are we running in the unincorporated and incorporated areas?"

Mr. Mixer: "By far and large, their primary commitment is to running first responder calls for EMS."

Chairman Schurlknight: "Good. Thank you. Any other questions?"

There were no further questions.

Chairman Schurlknight: "Ok, last thing on the list is land for the St. Stephen's Library/Magistrate's Office, and also we heard the Clerk of Court talking about the Court

House parking and the problems they're having around the Court House and having to address that parking lot. We've got about..."

Committee Member Farley: "Mr. Chairman."

Chairman Schurlknight: "...318,000 for that."

Committee Member Farley: "The land that was supposedly being acquired for the Hanahan Library, that was taken out?"

Supervisor Daniel Davis: "That's under the bond. It is under the bond. That money's already set aside."

Chairman Schurlknight: "This would be an addition to Hanahan."

Committee Member Steve Davis: "And see, that's – that's – that's – that's one of those small issues right there."

Chairman Schurlknight: "You're on the list, Steve."

Committee Member Steve Davis: "Well, yeah. I'm on the bottom of the list..."

Chairman Schurlknight: "But, you made the list."

Committee Member Steve Davis: "...and why should our judicial system, courtroom continue this deplorable condition, that when I come up to Goose Creek, it's first class, and go down to St. Stephen's – it's in an old department store, and then, it's at the bottom of the list. And, the Hanahan is on the barn door, satisfied; no issue what-so-ever; not a problem. And then, I got to take this beating by certain individuals as if we're getting something that we don't deserve."

Committee Member Cathy Davis: "Mr. Chairman?"

Chairman Schurlknight: "Ms. Davis."

Committee Member Cathy Davis: "Wasn't this item on the list the last two years – the St. Stephen's Library?"

Ms. Smith: "No, ma'am. You all haven't approved that purchase yet."

Committee Member Cathy Davis: "So, it didn't appear on the Capital Improvement List at all?"

Ms. Smith: "I believe it appeared."

Committee Member Steve Davis: "It appeared."

Chairman Schurlknight: "For years down the road. I think it was on the schedule, wasn't it, Kace?"

Ms. Smith: "It was in a five-year..."

Committee Member Cathy Davis: "There was no money allocated to it?"

Ms. Smith: "Yes, ma'am, there were. You did not approve the five-year Capital Improvement Program, but it was given to you in a draft format at one point in time; yes, ma'am."

Chairman Schurlknight: "That we're approving annually. But, I'm just kind of laying everything out in five years what our immediate needs would be. Ok, that gives us a subtotal of \$2,833,393, and folks, that's what the 29 percent will be going towards – those items that we've discussed here tonight. We spent so much time on this thing, I forgot the motion."

Committee Member Steve Davis: "You're calling for the vote, that's what you needed to..."

Committee Member Fish: "The vote."

Chairman Schurlknight: "Ok, we're calling for the vote."

Committee Member Steve Davis: "And the vote is to deny it at this time."

Chairman Schurlknight: "This is to deny the use of the 29 percent, correct?"

Committee Member Steve Davis: "Well, to deny the..."

Committee Member Callanan: "To deny the budget."

Committee Member Steve Davis: "...whole budget."

Committee Member Cathy Davis: "The whole budget."

Chairman Schurlknight: "The whole budget, ok."

Ms. Smith: "The whole budget."

Chairman Schurlknight: "So, you all got me confused with all this here. Alright, we have a motion to deny the whole budget in its entirety. All in favor? I think I want a roll call on that. That kind of hurt my ears. Ms. Barbara, this is – you ought to do your roll call, please."

Council Members voting “Aye”: Farley, Callanan, Cathy Davis and Fish.

Council Members voting “Nay”: Call, Pinckney and Steve Davis.

Committee Member Fish: “Four to three.”

Chairman Schurlknight: “Four to three, the ‘Ayes’ have it.”

The motion made by Committee Member Callanan and seconded by Committee Member Fish to **deny** review, prior to **Second Reading**, of **Bill No. 10-20**, passed by majority voice vote of the Committee.

It was moved by Committee Member Callanan and seconded by Committee Member Fish to **adjourn** the meeting of the Committee on Finance. The motion passed by unanimous voice vote of the Committee.

Meeting adjourned at 7:49 p.m.

June 28, 2010
Date Approved